I n t e g r i t y - S e r v i c e - E x c e l l e n c e

Performance Based Services Acquisition
Performance Work Statements

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- **Objectives**

- **Development Process of the Performance Work Statement (PWS)**

- **Elements of the PWS Format**

- **Summary**

- **References**

Objectives

- **Identify the development process of the PWS**

- **Identify the elements of the PWS format**

- **AFI 63-124 requires the PWS "comply to the maximum extent practicable with the terms & conditions of the commercial marketplace as identified through market research"**

- **Emphasis of performance-based acquisitions is describing reqm'ts in terms of end result(s) <u>not</u> in terms of how to accomplish reqm'ts**

- **Benefits of Performance-Based Requirements**

  - Reduced contract prices

  - Improved contractor performance

  - Measurable performance requirements

    - Clearly defined

    - Leaves no question as to whether a contractor has met reqm't

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- **Benefits of Performance-Based Requirements (cont.)**

  - Contractor flexibility

    - → Contractor can change processes in response to changing environment without contract modification

  - Decreased surveillance

    - → Review contractor provided data/metrics

    - → Evaluate end results

  - Contractor innovation

    - → Incentivizes contractor to streamline processes, reducing costs

- **Process vs. Performance-Based Methodology**

  - Process methodology: Reqm'ts described in terms of processes or tasks

    - Gov't instructs contractor when, where, how, and how many

    - Does not address desired end result

    - Quality assurance is labor intensive

  - Performance-based methodology: Reqm'ts described in terms of end result

    - Contractor complies with commercial standards

    - Contractor provides labor mix & skill set solutions to fulfill reqm't

    - Relies on contractor quality control plan--"Trust-but validate"

Development Process of the Performance Work Statement (PWS)

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Process Methodology

- ➤ Personal Hygiene
- ➤ Health Exams
- ➤ Food-borne Disease Test
- ➤ Equip & Utensil Cleaning
- ➤ Food Prep Equip Cleaning
- ➤ Serving Equip Cleaning
- ➤ Dining Area Equip Cleaning

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Performance-Based Methodology

- ➤ Comply with FDA Food Code which results in a satisfactory or better rating in Health Inspections

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- ■ **Elements of Performance-Based PWS**

  - ➢ Requirements are "outcome-based"

  - ➢ Requirements include clear, unambiguous, and measurable performance thresholds

  - ➢ Surveillance methods are consistent with standards

■ Developing a Performance-Based Requirement

➢ Conduct an outcome analysis to identify performance objectives

➢ Conduct performance analysis to identify performance thresholds for each objective

➢ Capture objectives and thresholds in Services Summary (SS)
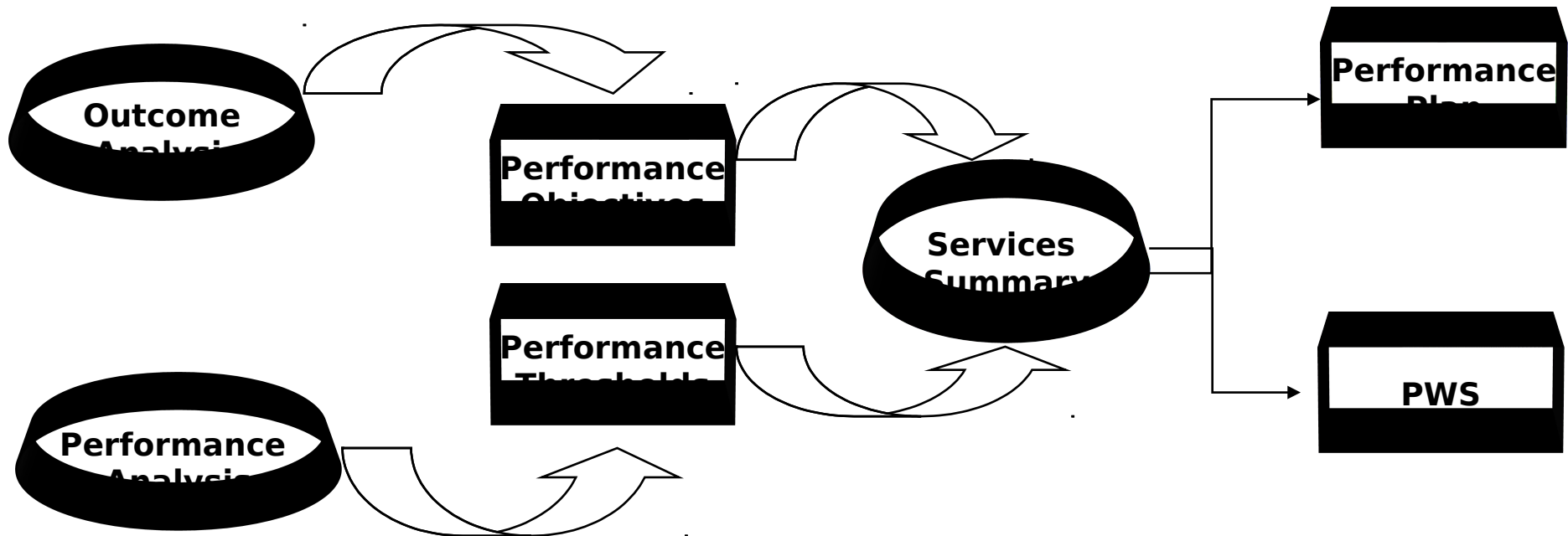
  → Foundation for both PWS and Performance Plan (PP)

■ Developing a Performance-Based Requirement

Development Process of the Performance Work Statement (PWS)

Outcome Analysis

- Identifies performance objectives
  - Services needed defined in terms of output/outcome required
  - Breaks down work into its lowest task level and links into logical flow
- Only include outputs in PWS if the contractor would not reasonably know what output is required in order to achieve desired results
  - Tree diagrams help visualize reqm't and determine which outcomes need to be specified in the requirement
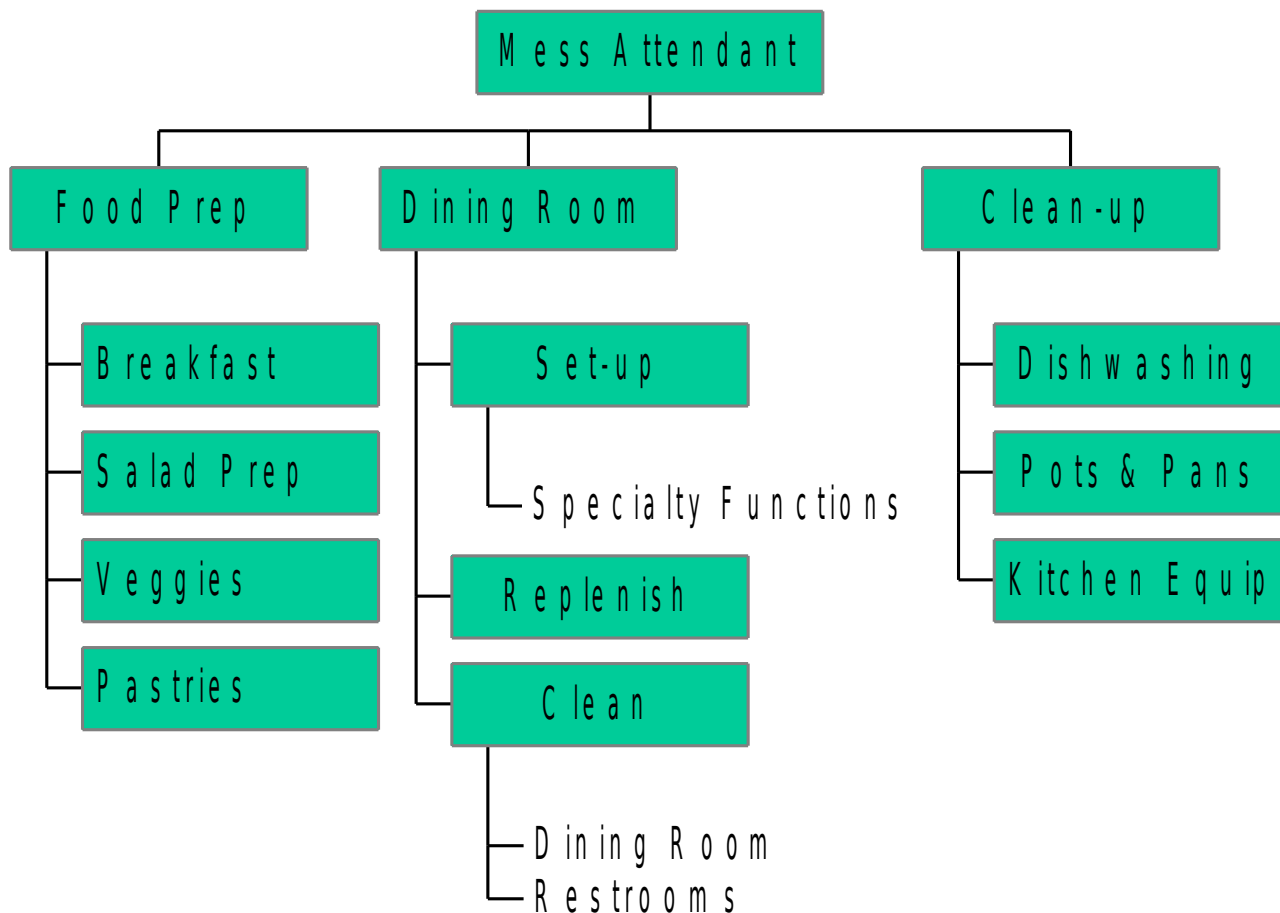
■ **Outcome Analysis-Tree Diagram**

Performance Analysis

- Performance analysis assigns thresholds to each objective

- Performance objectives establishes performance level required

    - Percentage of required conformance to objective

    - Number of deviations from objective allowed

    - Must be realistic

- Thresholds should rarely be 100% or "zero deviations"

- Thresholds that are too low are a disincentive to good contract performance

- **Performance Objectives & Thresholds**
  - Performance objectives & thresholds may be industry-wide standards or developed by the agency
  - Agency standards should have industry input to ensure they are realistic and effective
  - Use of commercial standards reduce cost and oversight
  - Consider how surveillance will be conducted when establishing thresholds

Services Summary (SS)

- ➢ Performance objectives and thresholds are incorporated in the SS which in turn is incorporated in the PWS

- ➢ SS should capture the overall requirements at the outcome level

- ➢ Performance objectives are based on desired outcomes, not tasks

- ➢ SS identifies objective, references PWS specifying requirement, and indicates threshold

Services Summary (SS)

Performance Objective	*PWS para*	*Performance Threshold*
Prepare food IAW recipe cards	1.3.	95% of menu items/meal period
Comply with Food Code which result in SAT or better rating during Health inspections	1.3.1 1.3.3 1.3.3.1	100% of the time
Timeliness of service and courteousness of employees	1.3.4	90% of monthly meal periods
Maintain facility interior & exterior in clean/sanitary condition	1.6	85% of the days in the month

- **Historical and Projected Workload Data**

  - Historical and projected workload data should be included to incorporate surge and other requirements

    - Allows contractor to forecast manpower and supplies needed to accomplish requirement

  - Workload data is often available from existing agency management information, sampling, or on-the-job observation

  - If reqm't significantly changes and there is a cost impact, the contractor or Gov't may be entitled to an equitable adjustment

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■ Historical and Projected Workload Data

L/I	Description	Estimated Quantity	
1	Inspect and test elevators	_____	Ea
2	Number of (Elevator X - List each type of separately)	_____	Ea
3	Number of (Elevator Y - List each type of separately)	_____	Ea
4	Number of (Elevator Z - List each type of separately)	_____	Ea
5	Estimated # of repair service calls per year	_____	Ea
6	Estimated # of emergency repair service calls per year	_____	Ea

- **PWS Characteristics**

  - Multi-Functional Team (MFT) works together to:

    - Define the requirements (objectives)

    - Incorporate commercial practices

    - Establish desired performance levels (thresholds)

  - Write PWS using precise terms and clear, concise wording

    - Abbreviations and acronyms must be defined the first time used

    - Ambiguous words & phrases should not be used

    - PWS' should contain consistent language

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■ **PWS Characteristics (cont.)**

➢ Express outputs in clear, concise, commonly used, easily understood, measurable terms

➢ Do not include detailed procedures dictating how work is to be accomplished in the PWS

➢ Develop acquisition milestones

➢ Recommend issuing draft PWS to facilitate industry feedback

➔ Draft PWS may evolve as a result of industry comment and market research data

Format for a PWS

- AFI 63-124 states a PWS, at a minimum, includes (in order):

  → 1. Description of Services/General Information (definitions, etc)

  → 2. Services Summary (SS)

  → 3. Gov't Furnished Property (GFP) and Services, if applicable

  → 4. Appendices (workload estimates, square footage, etc.)

Format for a PWS (cont.)

- Description of Services/General Information
  - Description of Services/General Information narrates the specific requirements
  - Defines things contractor would not know from outcome alone
- SS follows to summarize the requirements and performance thresholds
  - Foundation of requirement, identifies outcomes
  - SS should be developed first

▪ Format for a PWS (cont.)

➤ Gov't Furnished Property & Services

→ Indicate from whom and when the property will be provided to contractor

→ Issues with GFP may not be completely addressed in FAR clauses, additional information may need to be provided in PWS

➤ Appendices

→ Appendices include workload estimates, maps, GFP listings

→ If publications are listed, identify specific paragraph or chapter

→ CDRLS should not be listed as an appendix (DFARS 204.7105) but as separate exhibits

- **Citing AFIs, Publications, and Forms in the PWS**

    - AFI 63-124 requires all referenced directives be cited by specific paragraph/chapter rather than entire publication if entire publication is not applicable
        - Example citation: *"The food service contractor shall ensure only authorized individuals are served IAW AFI 34-241, para 1.1."*
    - Preferred method of incorporating gov't publications is to write the requirement in Description of Services/General Information
    - Don't include publications that duplicate federal, state, or local laws

Elements of the Performance Work Statement (PWS)

- **Citing AFIs, Publications, and Forms in the PWS (cont.)**

  - Cited publications may also be included in Appendices:

Publication No.	Name	Date	Applicable Para	PWS Reference
AFI 34-239	Food Svc Mgt Program	05/01/98	1.1, 1.2, 1.6, 1.7, 3.1, 3.2	1.3.1.1
AFI 48-116	Food Safety Program	07/19/94	2.14, 2.15, 2.16	1.3.1.2
AFMAN 34-240	Food Svc Program Mgt	04/01/98	1.2, 1.3, 1.5, 1.7, 1.8, 1.13	1.3.1.3

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- **Citing AFIs, Publications, and Forms in the PWS (cont.)**

  - If contractor is responsible for updating publications, PWS must indicate how contractor obtains updates and timeframe required to implement changes
  - PWS also must indicate that it is contractor's responsibility to inform CO of any increases/decreases due to changes

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- **Define requirements in clear, concise language identifying specific work to be accomplished**

- **Describe the work in terms of "what" (end result) rather than "how" (processes)**

- **Enable assessment of performance against measurable performance standards**

- **Use measurable standards and incentives to encourage innovation and cost-effective methods of performance**

- **Cite publications by specific paragraph/chapter, referencing only needed portions**

- **FAR 37.6, Service Contracting, Performance-Based Acquisition**

- **AFI 63-124, Performance-Based Services Acquisitions (PBSA)**

- **SAF/AQC Contracting Website, AFFARS Library, PBSA Training, "Seven Steps to Performance-Based Services Acquisition," at http://www.arnet.gov/Library/OFPP/Best Practices/pbsc/index.html**

- **Quality Assurance Program Coordinator Study Guide/Workbook, Block I, Unit 7**